



Canyon Fuel  
Company, LLC.  
Skyline Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

*C/007/0005 Incoming  
cc: Priscilla*  
**COPY** *Incoming  
#3545  
K*

Austin Belcher, Environ. Engineer  
HCR 35, Box 380  
Helper, UT 84526  
(435) 448-2668 - Office  
(435) 448-2632 - Fax

July 1, 2010

Mr. James D. Smith  
Division of Oil, Gas, and Mining  
1594 West North Temple  
Salt Lake City, Utah 84114-5801

**RECEIVED**  
**JUL 08 2010**  
**DIV. OF OIL, GAS & MINING**

RE: Conditional Approval Response to Task ID #3545, Clean Copies, Canyon Fuel Company, LLC, Skyline Mine, Permit C/007/005

Dear Jim,

Attached to this letter are eight (8) clean copies in response to the conditional approval to Task ID #3545. All eight (8) copies have been sent to the Division of Oil, Gas, and Mining Salt Lake Office. The C1 and C2 forms for Task ID #3545 identify how to process the information.

If you have any questions regarding this information please give me a call at (435) 448-2668.

Sincerely:

Austin Belcher  
Environmental Engineer  
Canyon Fuel Company, LLC.  
Skyline Mine

Attachments

File in:

☐ Confidential

☐ Shelf

☒ Expandable

Date Folder 07082010 C/07082010

cc: Incoming For additional information

## APPLICATION FOR COAL PERMIT PROCESSING

**COPY**Permit Change ☒ New Permit ☐ Renewal ☐ Exploration ☐ Bond Release ☐ Transfer ☐

Permittee: Canyon Fuel Company, LLC

Mine: Skyline Mine

Permit Number: C/007/005

Title: Rail Loadout Asphalt

Description, Include reason for application and timing required to implement:

Changes made to Surface Facility Map and bond calculations to accommodate asphalt and concrete installation.

**Instructions:** If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- ☐ Yes ☒ No 1. Change in the size of the Permit Area? Acres: \_\_\_\_\_ Disturbed Area: \_\_\_\_\_ ☐ increase ☐ decrease.  
☐ Yes ☒ No 2. Is the application submitted as a result of a Division Order? DO# \_\_\_\_\_  
☐ Yes ☒ No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?  
☐ Yes ☒ No 4. Does the application include operations in hydrologic basins other than as currently approved?  
☐ Yes ☒ No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?  
☐ Yes ☒ No 6. Does the application require or include public notice publication?  
☐ Yes ☒ No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?  
☐ Yes ☒ No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?  
☐ Yes ☒ No 9. Is the application submitted as a result of a Violation? NOV # \_\_\_\_\_  
☐ Yes ☒ No 10. Is the application submitted as a result of other laws or regulations or policies?  
     Explain: \_\_\_\_\_  
☐ Yes ☒ No 11. Does the application affect the surface landowner or change the post mining land use?  
☐ Yes ☒ No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)  
☐ Yes ☒ No 13. Does the application require or include collection and reporting of any baseline information?  
☐ Yes ☒ No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?  
☐ Yes ☒ No 15. Does the application require or include soil removal, storage or placement?  
☐ Yes ☒ No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?  
☒ Yes ☐ No 17. Does the application require or include construction, modification, or removal of surface facilities?  
☐ Yes ☒ No 18. Does the application require or include water monitoring, sediment or drainage control measures?  
☐ Yes ☒ No 19. Does the application require or include certified designs, maps or calculation?  
☐ Yes ☒ No 20. Does the application require or include subsidence control or monitoring?  
☒ Yes ☐ No 21. Have reclamation costs for bonding been provided?  
☐ Yes ☒ No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?  
☐ Yes ☒ No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Wesley K. Sorensen  
Print Name

Wesley K. Sorensen  
Sign Name, Position, Date

Subscribed and sworn to before me this 18<sup>th</sup> day of JUNE, 2010

General Manager 5/18/10

Kathleen Atwood  
Notary Public

My commission Expires:

Attest: State of

County of

Utah 11-12-2011  
Carbon

SS:



KATHLEEN ATWOOD  
NOTARY PUBLIC-STATE OF UTAH  
100 NORTH 200 WEST #13  
HUNTINGTON, UT 84528  
COMM. EXP. 11-12-2011

For Office Use Only:

Assigned Tracking  
Number:

Received by Oil, Gas &amp; Mining

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MAY 18 2010

DIV. OF OIL, GAS &amp; MINING

**COPY**

Permit Number: C/007/005

Permit Number: C/007/005

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED

[illegible]

**Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.**

Five (5) redline and Five (5) clean copies of the application are included in the submittal.

Received by Oil, Gas &amp; Mining

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MAY 18 2010

DIV. OF OIL, GAS & MINING

seeded and mulched, and, where needed, additional straw bales and/or silt fences, erosion mats installed to treat any runoff. Part of the area also has a collection ditch below the straw bales. Where needed, this ditch has a series of straw bales across the drainage at 15-20 foot intervals. Much of the ditch has become well grassed-in and is almost indistinguishable from the adjacent undisturbed areas and does not need any additional silt control devices as the runoff has already been treated with strawbales and/or silt fences.

**Area 16.** This area is south of the truck dump and is shown on Map No. 3.2.1-3. This area contains .61 acres and is the fill slope of the access road. The slope has been reseeded and basically has a well established cover of vegetation. The disturbance around the overland conveyor towers have been seeded and mulched, and have additional straw bales and/or silt fences, erosion mats, where needed, to treat any surface runoff. (See Area 10a)

**Area 17.** This area is south of the RLO sediment pond and is shown on Map No. 3.2.1-3. This area contains .35 acres and has been classified as an "Alternative Sediment Control Area." Much of the area has been paved. There are straw bales and/or silt fences and three small straw dikes to treat any runoff water. One of these straw dikes is on the UDOT rights-of-way of SR-96. This treatment location has been approved by UDOT (refer to UDOT letter dated 7/18/89 from L. Archie Hamilton, District Four Pre/construction Engineer, Page 3-70).

**Area 17a.** This area is adjacent to RRLO sediment ponds and is shown on Map 3.2.1-3. This area contains .15 acres and has been classified as an "Exempt Area" since it is the outslope of the sediment pond embankment.

**Areas 18.** This area is adjacent to the Railroad Loadout structure and is shown on Map No. 3.2.1-3. This area contains .1 acres and has been classified as an exempt area as the entire area is paved.

**Area 19.** This area is adjacent to the Railroad loadout structure and is shown on Map No. 3.2.1-3. This area contains .1 acres and has been classified as a Small Area Exception (SAE) as the entire area is paved.

**Areas 20, 21, 22, and 22a.** These areas are the highway approaches from SR-96 to the Railroad Loadout area itself (two approaches), the area south of the loadout structure, and a small road-shoulder area west of the Railroad Loadout exit. These areas are shown on Map 3.2.1-3. These areas contain .1 acre and have been classified as "Special Exempt Areas." These road approaches are paved. Area 20 also contains a small straw dike to treat water from the area that is not paved and additional treatment for water leaving the paved area. All of these areas are part of the permitted area and will be reclaimed during final reclamation; however, these areas fall within the rights-of-way of SR-96 (refer to UDOT letter dated 7-18-89 from L. Archie Hamilton, District Four Pre/Construction Engineer, found in this section). The Permittee has no control over the activities of UDOT or the public who utilize these approaches; therefore, the Permittee is not responsible for the activities (other than his own) which occur on these approaches.

**Area 23.** This area is the South Fork Breakout Area and is shown on Map No. 3.2.11-1. This area contains .96 acres (see Areas 32 and 33 which are classified as exempt areas). The South Fork Breakout Area was reclaimed in 2003 and the access trail was completely reclaimed in 2005 and is considered a Small Area Exemption. All existing silt fencing was removed, with the exception of temporary silt fencing that was used during reclamation construction. Extreme surface roughening or 'deep gouging' was used as the form of sediment control until vegetation is established. Figure 3.2.11-1 will be modified to reflect these changes once the area is flown to establish the reclamation topography.

**Area 24.** The access road to the Scofield Waste Rock Disposal Site is shown on Map No. 3.2.8-1. It contains 3.45 acres and is classified as a "Primary Access Road".

**Area 24a.** A small area of .1 acre was disturbed adjacent to the Scofield Waste Rock access road. This area has been reseeded and is becoming well re-vegetated. Any runoff water leaving this area enters the roadside drainage. A Sed-Cad model program has been done for this area which demonstrated that alternate sedimented control measurers are not needed. This area is therefore classified as an exempt area. (See Vol. 5 Sec. 21 and 21 (a))

**Area 25.** This area goes from overland conveyor bent 155 to bent 154a, shown on Map 3.2.3-3a. This area is permitted but has no disturbance within it. The overland conveyor does span across this area.

Skyline Mine  
C/007/005  
Task ID # 3545  
RLO Add Paving Concrete

Total Required Bond Amount

Revised June 10, 2010

Direct Costs

Subtotal Demolition and Removal	\$1,944,118.00
Subtotal Backfilling and Grading	\$941,073.00
Subtotal Revegetation	\$876,537.00
Direct Costs	\$3,761,728.00

Indirect Costs

Mob/Demob	\$376,173.00	10.0%
Contingency	\$188,086.00	5.0%
Engineering Redesign	\$94,043.00	2.5%
Main Office Expense	\$255,798.00	6.8%
Project Mainagement Fee	\$94,043.00	2.5%
Subtotal Indirect Costs	\$1,008,143.00	26.8%

Total Cost 2010 Dollars \$4,769,871.00

Last Midterm Review in 2009

Number of years	4
Escalation factor	1.005
Escalation	\$95,397.42 1.02

Number of years

Escalation Factor

Escalation

Escalated Reclamation cost to 2014	\$4,865,268.42
Bond Amount (rounded to nearest \$1,000)	\$4,865,000.00
Posted Bond 2009	\$5,137,000.00
Difference Between Cost Estimate and Bond	\$272,000.00
Percent Difference	5.20%

Task ID # 3545  
RLO Additional Paving / Concrete



Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Shop Warehouse 01																			367595
	Administration Bld 02																			25308
	Mine No 1 Transfer Tower 03																			35853
	BC 2 Drive House 04																			8863
	BC 3 Drive House 05																			36369
	Crusher Raw Coal 06																			18741
	Truck Loadout 07																			2592
	Railcar Loadout 08																			21764
	Conveyors 8 total 09																			87788
	Water Tanks Two 10																			6084
	Pump House 11																			1233
	Well House Three 12																			4428
	Water Treatment Bld 13																			16600
	Misc Storage Bld 14																			3809
	Overland Conveyor 15																			88532
	Guard Rail 16																			18300
	Rock Dust Bld 17																			5835
	Overland Dust Collector 18																			1248
	Substation 19																			1980
	Power Line 20																			4605
	Cap Magazine 21																			33
	Fuel Storage 22																			2954
	Propane Tanks 23																			527
	Slacking Tube 24																			5516
	Reclaim Tunnel 25																			45632
	Slope Protection Apron 26																			17532
	Concrete Lined Ditch 27																			486
	Raw Coal Silo 28																			15831
	Parking Area Middle 29																			2451
	Truck Loadout Foundation 30																			233
	Road Pad Lower 31																			3796
	Silo Rail Loadout 32																			140333
	Loadout Foundation RR 33																			5769
	Pavement Rail Loadout 34																			6816
	Steel 35																			6975
	James Canyon 36																			142752
	Culvert Backfilling 37																			6132
	Channel Construction 38																			529279
	Equipment 39																			245525
	Portal Face Door 40																			5823
	Concrete Building 41																			2158

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Pavement Rail Loadout 34																			
	Structure's Demolition Cost																			
	Structure's Vol. Demolished																			
	Rubble's Weight (exclude steel)																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Non Steel Truck																			
	Transportation Cost Non Steel Drive																			
	Disposal Cost Non Steel																			
	Steel's Weight																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Steel Truck																			
	Transportation Cost Steel Truck Drive																			
	Disposal Cost Steel																			
	<b>Subtotal</b>																			
	Equipment's Disposal Cost																			
	Dismantling Cost																			
	Equipment's Vol. Demolished																			
	Loading Costs																			
	Transport Costs																			
	Disposal Costs																			
	<b>Subtotal</b>																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	<b>Subtotal</b>																			
	Asphalt Demolition																			
	Demolition Cost																			
	Asphalt's Vol. Demolished																			
	Loading Cost																			
	Disposal Costs																			
	<b>Subtotal</b>																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	<b>Subtotal</b>																			
	<b>Total</b>																			